

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

DOCKET NO. E-7, SUB 1214

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

|                                          |   |                         |
|------------------------------------------|---|-------------------------|
| In the Matter of                         |   |                         |
| Petition by Duke Energy Carolinas, LLC,  | ) | ORDER MODIFYING SERVICE |
| for Approval of Modifications to Service | ) | REGULATIONS AND RATE    |
| Regulations and Certain Rate Schedules   | ) | SCHEDULES               |

BY THE COMMISSION: On December 16, 2021, Duke Energy Carolinas, LLC (DEC), filed a request to (1) modify the Service Regulations to remove the eligibility requirement that residential dwellings be constructed on permanent foundations; and (2) eliminate the minimum bill provision related to contract demand in its non-residential rate schedules.

DEC states that the first modification would allow certain residential dwellings to be eligible for service under the residential rate schedules. The modification would extend eligibility for the rate schedules to heretofore non-qualifying dwellings, like “tiny homes,” that are not built on a permanent foundation.

DEC states that the second modification would clarify that new customers and customers modifying their contract demands would not be billed on the basis of contract demand in the first four months of service following the initiation or modification of service loads.

DEC further states that with the implementation of the Customer Connect billing system, it found that new customers or customers amending their contract demands could immediately be charged a minimum bill based on their contract demands, rather than their actual billing demands. The modification would allow these customers to receive bills for the first four months of service based on their actual billing demands rather than contract demands.

The Public Staff presented this matter to the Commission at its Regular Staff Conference on January 31, 2022. The Public Staff stated that it had reviewed both proposed requests and believed both to be reasonable. The Public Staff further stated the modification to allow certain residential dwellings to be eligible under residential rate schedules, would align DEC’s requirements for residential service qualification with similar requirements already in effect for Duke Energy Progress, LLC (DEP). The Public Staff also stated that the proposed minimum bill modification would allow non-residential customers time to ramp-up loads to their new contract demands without being adversely impacted during the initial four-month ramp-up period. Thus, the proposed modifications

provide a four-month grace period for customer loads to grow into the contract demand before the contract demand provisions of the minimum bill apply.

The Public Staff noted that during investigation into the Sub 1214 rate case, data indicated that approximately 245 non-residential customers were impacted by the provisions of minimum bill. While the record from the rate case did not distinguish between minimum bill impacts on new customers versus existing customers, the Public Staff believes that the proposed modification would have minimal impact on the non-residential customer classes and revenues.

The Public Staff also noted that in Docket No. E-2 Sub 1219, DEP made a similar filing to modify its service regulations to allow a similar ramp-up over 12 months. The Public Staff asked why DEC and DEP were requesting differing ramp-up period lengths, and DEC indicated that due to the differing structures of the non-residential rate schedules for DEC and DEP, it was not necessary to align these minimum bill ramp-up periods. As currently structured, DEC's non-residential schedules reflect changes in customer loads and load factors sooner than do DEP's non-residential schedules. Thus, the minimum bill provisions impact DEP's customers sooner, thus necessitating a modification to allow a longer ramp-up period. The next general rate case for each Company will provide an opportunity for further alignment of their respective ramp-up periods.

DEP's tariffs invoke the minimum bill provision based on a minimum peak demand of 25 kW or 75% of contract demand, whichever is greater, while DEC's tariffs generally base the minimum bill on a peak demand of 30 kW or 50% of the contract demand, whichever is greater. DEC's Schedule OPT is similar but also includes an "economy demand" charge that is the difference between the on-peak billing demand and the greater of the maximum 15-minute demand or 50% of the contract demand.

Based on the foregoing, the Commission is of the opinion that DEC's request to modify the Service Regulations and non-residential rate schedules should be approved as filed.

IT IS, THEREFORE, ORDERED:

1. That DEC's proposed modifications to the non-residential rate schedules impacted by the minimum bill provision is hereby approved as filed, effective this date;
2. That DEC's proposed modification to the Service Regulations to allow certain residential dwellings to be eligible for service under the residential rate schedules is hereby approved as filed, effective this date;
3. That DEC shall address the alignment of DEC's and DEP's minimum bill provisions in DEC's next general rate case; and

4. That DEC shall file with the Commission, within 10 days following the date of this order, a revised Service Regulations and rate schedules showing the effective date.

ISSUED BY ORDER OF THE COMMISSION.

This the 1st day of February, 2022.

NORTH CAROLINA UTILITIES COMMISSION

A handwritten signature in cursive script, appearing to read "Joann R. Snyder".

Joann R. Snyder, Deputy Clerk